S
368.44
Limeh
1991

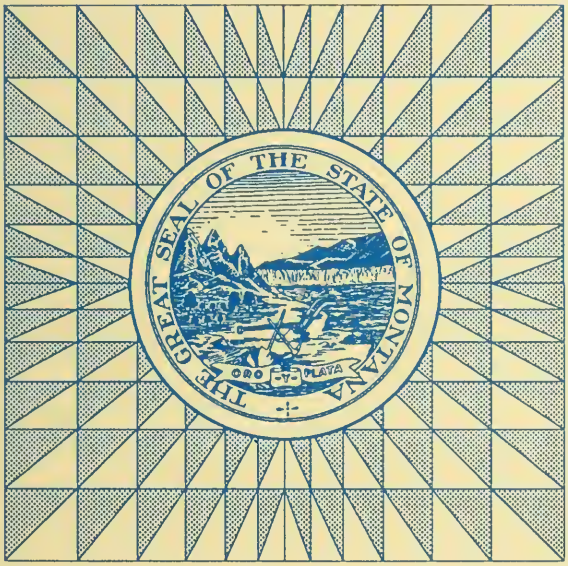
UNEMPLOYMENT INSURANCE

STATE DOCUMENTS COLLECTION

maintaining the foundation of economic security

JUN 03 1992

MONTANA STATE LIBRARY
1515 E. 6th AVE.
HELENA, MONTANA 59620



MONTANA EMPLOYER HANDBOOK

PLEASE RETURN

Montana
Department of Labor and Industry
Unemployment Insurance Division

UI-70 (REV. 12/91)

MONTANA STATE LIBRARY
S 368.44 L1meh 1991 c.1
Montana employer handbook.
3 0864 00077675 0

FIELD REPRESENTATIVES

	Local Office Address	Telephone
Billings Diane Bianchi Mary Bernhardt	1425 Broadwater-Suite F Billings, MT 59102	259-5529
Bozeman Tom Brodowy	121 North Willson Bozeman, MT 59715	586-5455
Butte Cal Coty	206 W. Granite P.O. Box 309 Butte, MT 59703	782-0417
Glasgow Kevin Miller	238 2nd Ave. South Glasgow, MT 59230	228-9369
Great Falls James Zadra Amy Everaert	Branch Office 513 First Ave. South P.O. Box 1508 Great Falls, MT 59403	761-1730
Kalispell Neil Helgath	427 First Ave. E. Kalispell, MT 59901	752-5627
Missoula Richard Cramer Mel Stewart	Branch Office 1203 Mount Ave. P. O. Box 5027 Missoula, MT 59806-5027	728-7060 Ext 217

AGENCIES EMPLOYERS NEED TO CONTACT:

Unemployment Insurance ..... (404) 444-3834
Department of Revenue State Withholding ..... (406) 444-3388
Workers' Compensation - Regulations ..... (406) 444-6530
Secretary of State ..... (406) 444-2034
Internal Revenue Service 1-800-829-1040
State Compensation Mutual Insurance Fund ..... (406) 444-7711

Dear Montana Employer,

We are mailing the Employer Handbook to you and other Montana employers to provide you with up-to-date information on Montana Unemployment Insurance. If you've been in business for a number of years, it's likely you haven't received a recent copy. The Handbook is intended to answer general questions about the UI program, and is not designed to cover all phases of the law. We urge you to consult us whenever you have a question.

Since the Unemployment Insurance program has been in existence, we've strived to provide good customer service. A few years ago, the UI Division began a quality program as a means to further enhance our service to you. Our Quality Charter, which reflects the goals and values we work by, reads in part:

> "It is the mission of the Unemployment Insurance Division to administer a program which provides short-term economic relief to eligible individuals, and provides the foundation for a stable workforce for employers. The Division will strive to administer this program with a commitment to truly serve the needs of employers and claimants; to continually improve that service; and to seek excellence in all we do."

Elimination of weeks worked on the quarterly reports this year was one of the several changes made as a result of our dedication to quality in the UI program. Yet, we would like to do more and are seeking other ways to improve. We are always interested in hearing from you about ideas or suggestions to improve our program. If you have suggestions for us, please let us know. A pre-addressed postcard is at the back of the Handbook. Simply tear it out, write in your suggestions and mail it, or you can call us at (406) 444-3834.

We hope you find the Employer Handbook to be a valuable resource for information on the UI program. If we can be of assistance, please do not hesitate to call.

Sincerely,

Sandra Bay

Sandra Bay, Program Manager
Contributions Bureau

Digitized by the Internet Archive
in 2011 with funding from
Montana State Library

http://www.archive.org/details/montanaemployerh1991mont

TOPICAL INDEX

Appeal Rights 9, 24-25
Assistance for Business Clinics 3
Audits 9
Bankruptcy 9
Bar & Restaurant Requirements 10
Base Period for Claims 21-22
Benefit Charges 15, 19-23
Benefit Eligibility & Denial 18-22
Bonding Requirements 10
Claims Investigation 25
Contractor Liability 10
Contribution Rate Schedule 13
Controlling Unemployment Costs 15, 23, 26
Coverage Requirements 3-6
Due Dates for Reporting 6
Exemptions From Coverage 5
Experience Rated Employer 11-16
Field Representatives ..... Front Inside Cover and 2
Governmental Employer 17-18
Independent Contractors 5-6
Job Service Offices ..... Back Inside Cover
Non-Profit Organizations 16-17
Partial Benefits 21
Penalties 6-7, 9
Quality Control 26
Quarterly Reports 6-7
Records to Maintain 8
Reimbursable Employer 16-17
Reporting Requirements 6-7
Successor Employer 14-15
Tax Rates 11-18
Taxable Wage Base 15-16
Voluntary Coverage 4
Wages to Report 4-5
Weekly Benefit Amount 22
Who to Contact for More Information 1-2

UNEMPLOYMENT INSURANCE DIVISION MISSION STATEMENT

It is the mission of the Unemployment Insurance Division to administer a program which provides short-term economic relief to eligible individuals, and provides the foundation for a stable workforce for employers.

The Division will strive to administer this program with a commitment to truly serve the needs of employers and claimants; to continually improve that service; and to seek excellence in all we do.

I. INTRODUCTION

What Is Unemployment Insurance?

Unemployment Insurance (UI) is a federal-state program developed in the 1930's. The program is designed to help stabilize the economy by preventing a sharp drop in consumer spending during periods of unemployment.

Unemployment Insurance is exactly as the name implies - insurance. Montana's UI program is financed by employers through a payroll tax. Unemployment Insurance benefits are paid to lighten the burden of unemployment to the unemployed individual, to maintain purchasing power in the community, and to allow laid off employees to remain in the area so they will be available for re-employment.

Where Can I Get More Information About UI?

The Employer Handbook is designed to answer questions commonly asked by employers and to provide information about your rights and responsibilities under the Montana Unemployment Insurance (UI) law. It may not answer all your questions and does not cover all situations that may arise. If you need help, contact the UI Division or the Field Representative nearest you.

The UI Division serves both employers and claimants. There are three bureaus in the UI Division:

Contributions Bureau - determines what employment must be covered, sets employer tax rates, and collects taxes from employers. They provide answers and assistance to employers about the UI program. Telephone (406) 444-3834.

UI Field Representatives - Field Representatives, who are a part of the Contributions Bureau, are a good source of information about the UI program. They can provide you with information on UI laws and rules. They also audit employer records, register employers, collect unpaid taxes and obtain delinquent quarterly reports from employers. The UI Division has Field Representatives located in seven cities throughout Montana. You can find a list of Field Representatives on the front inside cover of this handbook. You can also reach them through your local Job Service office.

Benefits Bureau - determines if an unemployed individual is entitled to benefits, the amount of their entitlement, and determines when benefits are charged to an employer. They respond to questions about benefit claims. Telephone (406) 444-3783.

Planning and Evaluation Bureau - evaluates the UI Program. Telephone (406) 444-2582.

We rely on your ideas, information and cooperation to help us maintain an efficient and effective program. Please direct your questions, comments or suggestions to us at the telephone numbers listed above or write to us at:

Unemployment Insurance Division
Department of Labor and Industry
P.O. Box 1728
1327 Lockey
Helena, MT 59624

Assistance for Business Clinics

Each year the Unemployment Insurance Division, along with various other state and federal agencies, participates in Assistance for Business Clinics. These clinics are held in several locations throughout the state and provide information about employer reporting requirements and compliance issues affecting Montana employers. Registered employers will receive a notice in the mail telling when the clinics will be held, or you can call (406) 444-3834 for information.

II. COVERAGE

Who Pays UI Taxes?

Employers. If you are an employer subject to the state unemployment insurance (UI) law, you are a "covered" employer and you must pay UI taxes. The Unemployment Insurance Division determines if you are a covered employer based upon Montana UI Law. **UI taxes must be paid by you, the employer.** It is against the law to take these taxes out of your employees' wages.

How Does The Division Determine Which Employers Are Covered?

The Division determines you are a "covered" employer if you meet one or more of the following criteria:

- Your total annual payroll for the current or preceding calendar year equals or exceeds $1,000. Total payroll is all wages paid to all employees before deductions.
- You acquired all or part of a business which is already subject to Montana Unemployment Insurance Law.
- You are subject under the Federal Unemployment Tax Act (FUTA).
- You employed agricultural workers and paid $20,000 or more in cash for agricultural labor in any quarter during the current or preceding calendar year.
- You employed 10 workers in agricultural labor in 20 different weeks during the current or preceding calendar year.

- You employed domestic workers and paid $1,000 or more in cash for these domestic services in any quarter during the current or preceding calendar year.

Once you meet the reporting criteria for a covered employer, you must report all wages paid for the entire current year and the next calendar year regardless of the amount.

Are Governmental Entities Covered?

YES. All state and local governmental entities must be covered by Unemployment Insurance.

Can I Get UI Coverage For My Workers Even If I'm Not A Covered Employer?

YES. If you don't qualify as a covered employer but you want to get UI coverage for your workers, you may apply to the Unemployment Insurance Division. If the Department approves this coverage, you must continue to cover your employees for at least two calendar years.

What Wages Do I Report?

You must report all payments made to employees for personal services rendered for part-time and temporary as well as full-time work. This includes but is not limited to:

1. commissions and bonuses;
2. payments to corporate officers (and all other employees of the corporation);
3. non-cash payments such as gifts, merchandise, board, room, etc. (report the actual value);
4. deferred compensation, cafeteria plans and IRA payments (any portion deducted from employee's gross wages);
5. payments for vacation, holiday and sickness;
6. severance pay and back pay awards;
7. tips (if the employer is required to maintain tip records by federal or state law) and other gratuities.

Is Everything I Pay My Employees Reportable As Wages?

NO. The more common types of exclusions are:

1. wages paid to a sole proprietor's parent, spouse or children under 21 years of age (this includes stepchildren and foster children);
2. commissions paid real estate, securities and insurance sales people who are paid strictly by commission with no guaranteed minimum earnings;
3. wages paid to an individual for the delivery or distribution of newspapers;
4. salaries paid to elected public officials;
5. payments (offered to all employees or to a specific class of employee) made by the employer to a plan established to pay for sickness and accident disability;
6. payments made by the employer for retirement, medical or death benefits for the employee;
7. reimbursement by the employer of actual employee business expenses;
8. corporate directors' fees (for attending meetings);
9. amounts paid to certain cosmetologists and barbers leasing space in a licensed shop, and floor covering installers, if they are under contract and free from control.

Do I Have To Pay UI Taxes On Workers Who I Consider Independent Contractors?

IT DEPENDS. Some employers exclude employees from their reports contending they are "independent contractors" and not employees. Court decisions and Division rulings have reinforced provisions of the law setting forth such services to be employment until "freedom from control or direction over performance" is shown and until it is shown they are " engaged in an independently established business of their own".

The laws and court decisions concerning independent contractors are very complex. If you are unsure, contact the Status Section of the

UI Division or your local Field Representative. You may request the Division to furnish you with a written determination of what workers, if any, are considered self-employed. The Division will investigate the employment relationship before issuing a determination.

III. EMPLOYER RESPONSIBILITIES

As a covered employer, you must keep records and file quarterly reports with the Unemployment Insurance Division.

When Are My Quarterly Reports Due?

To avoid penalty and interest charges, your quarterly wage report and payment must be postmarked by the following dates:

	Report Covering:	Postmarked By:
1st Qtr.	January, February, March	April 30
2nd Qtr.	April, May, June	July 31
3rd Qtr.	July, August, September	October 31
4th Qtr.	October, November, December	January 31

If I Pay My Contributions Late, Will I Be Penalized?

YES. If you do not pay your taxes by the due date you will be charged a penalty of $10 or 10%, whichever is greater, of the total taxes due. If you don't pay your taxes within 30 days after the due date, your penalty will increase to $15 or 15%, whichever is greater.

In addition to the penalties, you will be charged interest of 1.5% per month, computed daily.

If you don't file your quarterly reports by the due date, the UI Division may issue a subpoena to obtain the reports or issue a delinquent assessment estimating the wages paid and the taxes due. If the UI Division takes either of these actions against you, you will be charged an additional $40 penalty.

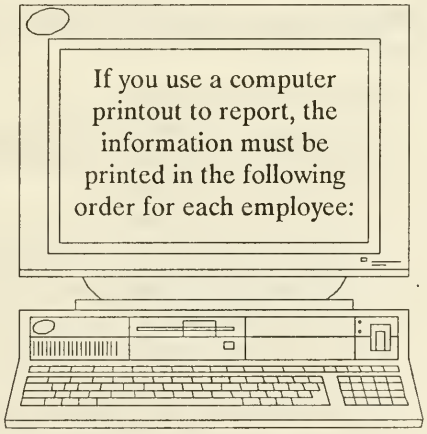
Where Do I Get Quarterly Report Forms?

The UI Division will mail your quarterly report form to you about one week before the end of each quarter. The form has your name, address, account number and rate printed on it.

If you don't receive your quarterly wage report form by the first week of the month the report is due, contact the Contributions Bureau at (406) 444-3834 or write the Unemployment Insurance Division, Contributions Bureau, P.O. Box 1728, Helena, MT 59624. Please put your account number on any correspondence with the division.

Can I Use A Computer Printout To Report Employee Wage Information?

Yes.



Employee's S.S. #	Employee Name	Wages Paid this Quarter	Excess Wages
000-00-0000	John Doe	$5,000	None

I Didn't Pay Any Wages This Quarter. Do I Still Have To File A Quarterly Report?

YES. You should state on your report that you paid no wages during the quarter.

What Records Do I Have To Keep?

You must keep a record of:

1. the beginning and ending date of each pay period;
2. the total wages paid during each pay period;
3. the method of payment;
4. the number of employees on the 12th of each month and total number of employees each quarter;
5. each employee's name, social security number and wages for each pay period;
6. the date each employee was hired, rehired or returned to work after a temporary lay-off;
7. the date an employee was terminated; and
8. the cause of the termination.

There is a complete explanation of the records you must keep in Section 24.11.701 of the Administrative Rules of Montana. For a copy of these rules or if you have questions, please call the Contributions Bureau of the Unemployment Insurance Division at (406) 444-3834.

Your records must be available for inspection by the Department or its' authorized representative.

A Field Representative may audit your records. The purpose of an audit is to see that your quarterly reports are being filed correctly and

that you are complying with the law. The field representatives will also answer your questions and help you understand the UI program.

If you need to correct a report you have already mailed, please send a corrected copy, an explanation of the correction and the name of a person we can contact. If you need further information, contact the Contributions Bureau at (406) 444-3834.

Do I Have The Right To Contest A Decision Made By The Department?

YES. You have **10 DAYS** after the department mails a determination to file an appeal. For information on how to file an appeal contact the Contributions Bureau at (406) 444-3834 or contact your local Field Representative.

10 DAYS

If I Declare Bankruptcy, Do I Still Have To Pay My UI Taxes?

YES. UI taxes that were due within three years prior to the filing of the bankruptcy petition are not dischargeable under the United States Bankruptcy Code. You will still be liable for all UI taxes due.

What If I Withhold or Submit False Information?

If you withhold information or give false information to prevent or reduce benefit payments to anyone entitled to benefits, you may be **fined, imprisoned or both.**

You may also be fined, imprisoned or both if you attempt to reduce any tax or payment required by the Division, fail or refuse to pay your taxes, refuse to furnish required reports, or if you refuse inspection or copying of your records as required by UI Law.

Additionally, if you do not file a report or if your report is incomplete or inaccurate, the Division may estimate wages paid based on available information. The Division may then collect the taxes, penalties and interest due based on this information.

I'm a Contractor. Do I Have Any Additional Responsibilities?

YES. If you are a prime contractor (who is an employer under Montana Unemployment Insurance Law) you are responsible for insuring your subcontractors are in full compliance with all Unemployment Insurance Laws when the contract is complete. If you contract with a subcontractor who is an employer, you must withhold enough money from the contract to be sure the subcontractor complies with these provisions. If your subcontractors are not in compliance when the contract is complete, you are responsible for all taxes, penalties and interest that are due.

As a subcontractor who is an employer, you must furnish the prime contractor a certificate issued by the Montana Department of Labor and Industry stating that your account is current. You must present this certificate before final payment on that particular job.

You can get a certificate from the Contributions Bureau of the Unemployment Insurance Division.

Are There Any Special Requirements For Bar Or Restaurant Owners?

YES. If you own a bar, restaurant or tavern (including one in a hotel) and you have been in business less than 3 years, you must post a Surety Bond equivalent to one month's wages plus UI contributions for one quarter. You can get more information about Surety Bond requirements from the:

Employment Relations Division
Department of Labor and Industry
P. O. Box 1728
Helena, MT 59624
(406) 444-5600

IV. TAX RATES

I'm A Covered Employer. What UI Taxes Do I Have To Pay?

IT DEPENDS. There are three types of covered employers: Experience-Rated, Reimbursable and State and Local Government.

What Is An Experience-Rated Employer? What Taxes Do They Pay?

If you are a private, for profit employer, you are experience-rated and you must pay all three of the following UI related taxes:

1. Administrative Fund Tax: This tax is assessed to help fund Department of Labor and Industry operations, including local Job Service offices. For experience-rated employers, this tax is .1% (.001) of taxable wages. This tax is due each quarter and is computed by applying the tax rate to each quarter's total taxable wages.

2. Federal Unemployment Tax Act (FUTA) Tax: This tax is paid directly to the Internal Revenue Service (IRS) to help finance the cost of running the state UI and Job Service (JS) programs.

3. State Unemployment Insurance Contributions: The Division can only use this tax to pay benefits to qualified individuals. We cannot use this tax money to run the UI program. All money we collect from this tax is deposited into the UI Trust Fund.

How Do You Decide What My Rate Will Be Each Year?

If you are a private, for profit employer, your tax rate is based on the contribution rate schedule and your reserve ratio.

The Contribution Rate Schedule determines the range of contribution rates which are assigned to all employers each calendar year. This

is based on the ratio of the UI Trust Fund balance to total wages paid in covered employment for the fiscal year.

Trust Fund Balance/Total Wages = Ratio

The schedule in effect for the year is decided by this ratio (see the rate schedule on the following page).

To compute your reserve ratio we subtract the benefits charged to your account (beginning October 1, 1981, through September 30th of the prior year) from the contributions you have paid during the same period. We divide this amount (reserve) by your average annual taxable payroll for the last three fiscal years (October 1 - September 30). This amount is your reserve ratio. We compute your reserve ratio yearly.

Contributions paid/Benefit charges = Reserve
Reserve/Average taxable payroll = Reserve Ratio

You are assigned to a rate class based on your reserve ratio. Your contribution rate is determined by the relationship of your reserve ratio to all other employers' reserve ratios. The highest positive reserve ratio is assigned the lowest contribution rate within the schedule in effect for the year.

Is There Only One Type Of Experience-Rated Account?

NO. For rating purposes, there are **three** types of experience-rated accounts - Eligible, Deficit and New.

ELIGIBLE - An eligible employer is an employer who has been subject (covered) for the three fiscal years ending September 30 immediately preceding the computation date, and has:

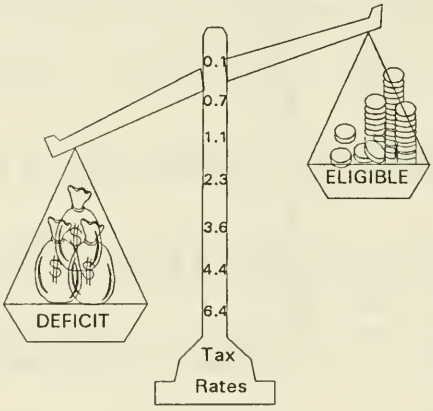
1. filed all required quarterly payroll reports;
2. paid all taxes, penalties and interest;
3. established a positive record (paid more in contributions than they have had benefits charged to their account); and,
4. paid wages in at least 1 of the 8 calendar quarters preceding the computation date.

SCHEDULE OF CONTRIBUTION RATES

	I	II	III	IV	V	VI	VII	VIII	IX	X
Minimum Ratio of Fund to Total Wages	(.0260)	(.0245)	(.0225)	(.0200)	(.0170)	(.0135)	(.0095)	(.0075)	(.0050)	(.....)
Average Tax Rate	1.4	1.6	1.8	2.0	2.2	2.4	2.6	2.8	3.0	3.2
Rate Class	**Contribution Rates for Eligible Employers**									
1	0.0%	0.1%	0.3%	0.5%	0.7%	0.9%	1.1%	1.3%	1.5%	1.7%
2	0.1	0.3	0.5	0.7	0.9	1.1	1.3	1.5	1.7	1.9
3	0.3	0.5	0.7	0.9	1.1	1.3	1.5	1.7	1.9	2.1
4	0.5	0.7	0.9	1.1	1.3	1.5	1.7	1.9	2.1	2.3
5	0.7	0.9	1.1	1.3	1.5	1.7	1.9	2.1	2.3	2.5
6	0.9	1.1	1.3	1.5	1.7	1.9	2.1	2.3	2.5	2.7
7	1.1	1.3	1.5	1.7	1.9	2.1	2.3	2.5	2.7	2.9
8	1.3	1.5	1.7	1.9	2.1	2.3	2.5	2.7	2.9	3.1
9	1.5	1.7	1.9	2.1	2.3	2.5	2.7	2.9	3.1	3.3
10	1.7	1.9	2.1	2.3	2.5	2.7	2.9	3.1	3.3	3.5
Rate Class	**Contribution Rates for Deficit Employers**									
1	3.2%	3.4%	3.6%	3.8%	4.0%	4.2%	4.4%	4.6%	4.8%	5.0%
2	3.4	3.6	3.8	4.0	4.2	4.4	4.6	4.8	5.0	5.2
3	3.6	3.8	4.0	4.2	4.4	4.6	4.8	5.0	5.2	5.4
4	3.8	4.0	4.2	4.4	4.6	4.8	5.0	5.2	5.4	5.6
5	4.0	4.2	4.4	4.6	4.8	5.0	5.2	5.4	5.6	5.8
6	4.2	4.4	4.6	4.8	5.0	5.2	5.4	5.6	5.8	6.0
7	4.4	4.6	4.8	5.0	5.2	5.4	5.6	5.8	6.0	6.2
8	4.6	4.8	5.0	5.2	5.4	5.6	5.8	6.0	6.2	6.4
9	4.8	5.0	5.2	5.4	5.6	5.8	6.0	6.2	6.4	6.4
10	6.4	6.4	6.4	6.4	6.4	6.4	6.4	6.4	6.4	6.4

DEFICIT - A deficit employer is a covered employer who has more benefits charged to their account than they have paid in contributions.

NEW - A new employer is a covered employer who has not been subject for the three fiscal years immediately preceding the computation date and has established a positive record. New employer rates are the average contribution rate for employers in their industrial classification.



Eligible employers have lower contribution rates because of their positive experience rating.

I Bought An Established Business. Do I Have To Wait Three Years To Get My Own Experience Rating?

NO. If you acquire a business of a subject employer, you can apply to have the experience rating record of the previous employer transferred to you. You and the previous employer must apply jointly within 90 days of the date you acquire the business. Contact the Contributions Bureau to find out if it would be beneficial for you

to have the experience rating record transferred. If the previous owner has not filed all the required wage reports or paid all the money due, all the delinquencies must be satisfied before we can assign you a rate based on their experience. If your business has substantially the same ownership or management as the business you acquired and the business has a deficit rate, you must assume that deficit contribution rate.

Can I Do Anything To Control My Contribution Rate?

YES — **Monitor all benefits charged to your account!**

The benefits charged to your account are used to compute your experience factor. When your former employee files a claim for unemployment insurance benefits, you will be sent a Potential Benefit Charge Notice. If the employee left work for reasons other than lack of work, return the notice to the Department stating the reason the claimant left your employ. You will receive a determination notice telling you if your account will be charged. You will also receive a Statement of Benefits Paid each quarter.

As An Experience-Rated Employer Do I Have To Pay Taxes On All The Wages I Pay To My Employees?

IT DEPENDS. You must report all wages you pay to your employees on your quarterly report but you only pay taxes on wages you pay each employee up to and including the Taxable Wage Base. The taxable wage base is listed in the upper left hand corner of the quarterly report form. The taxable wage base may change from year to year. Any wages you pay an employee over the taxable wage base

are considered *Excess Wages* . The Taxable Wage Base for 1991 is $13,400 and for 1992 is $14,000. The example below illustrates taxable wages vs. excess wages, using the 1992 wage base.

Computing Excess Wages per Employee

	Total Wages Paid in Qtr.	Total Wages Paid to Date	Taxable Wages	Excess Wages
First	$ 5,000	$ 5,000	$ 5,000	$ 0
Second	5,000	10,000	5,000	0
Third	5,000	15,000	4,000	1,000
Fourth	5,000	20,000	0	5,000
TOTAL	20,000	20,000	14,000	6,000

What Is A Reimbursable Employer? What Taxes Do They Pay?

Some non-profit organizations may choose to reimburse the UI Trust Fund for benefit payment costs. For a non-profit organization to be a reimbursable employer, it must meet the criteria defined in the Internal Revenue Code (IRC), Section 501(c)(3), provide the UI Division with a copy of the Internal Revenue Service (IRS) exemption letter and apply to the state Unemployment Insurance Division for approval. For more information on the IRS code, please contact the IRS office at 1-800-829-1040.

As a reimbursable employer, you must pay into the UI Trust Fund an amount equal to the benefits charged to your account. You will be charged for all benefits paid to former employees regardless of the reason they left your employment. Benefit charges are prorated according to the percentage of wages you paid to the total wages in the claimant's base period.

> Example: You are a reimbursable (or governmental) employer. Your employee, Jane Doe, is offered a better-paying job with your competitor. She quits your employ and accepts the job with your competitor. Your competitor's

business suffers a set back and Jane is laid off. She files for unemployment insurance benefits and is found eligible. You paid Jane 64% of the total wages she received during her base period. Your account is charged for 64% of the benefits paid to Jane even though she quit your business.

Effective July, 1991, we can relieve benefit charges to a reimbursable employer if there has been no change in the employment.

Example: If an individual had two jobs, one of them with a private, for-profit employer and the other a reimbursable employer, and was laid off from the private employer, the reimbursable employer would not be charged for the benefits paid.

You must advise us if there has been no change in employment for the charges to be relieved.

Reimbursable employers must submit quarterly wage reports and pay a .05% (.0005) Administrative Fund Tax on total wages paid each quarter. We will notify you monthly of the benefits charged to your account and you may pay these monthly or pay the entire quarterly charges within thirty days following the end of the quarter.

What Is A Governmental Employer? What Taxes Do They Pay?

Governmental entities may also choose coverage as a reimbursable employer, or may choose to make tax payments based on the government experience rating system where their tax rate is applied to total wages. Governmental entities also pay a .05% (.0005)Administrative Fund Tax on total wages paid each quarter.

If a claimant is eligible for benefits, governmental employers who paid wages to the claimant during the base period are charged for benefits regardless of the reason the claimant left the employment. Benefit charges are prorated according to the percentage of wages paid by the governmental entity to the total wages in the claimant's base period.

Effective July, 1991, we can remove benefit charges from a governmental employer if there has been no change in the employment.

> Example: If an individual had two jobs, one of them with a private, for-profit employer and the other a governmental employer, and was laid off from the private employer, the governmental employer would not be charged for the benefits paid.

You must advise us if there has been no change in employment for the charges to be relieved.

V. BENEFITS

Do All Unemployed Workers Receive Benefits?

NO. To qualify for unemployment insurance benefits, a claimant must:

- have earnings of at least 1.5 times the wages earned in the highest quarter of the base period (base period defined on page 22) and total wages equal or greater than 7% of the average annual wage, or
- have earnings of at least 50% of the average annual wage. (The average annual wage is computed in May for use in the upcoming fiscal year.)

And:

- work less than the customary hours because of lack of work and earn less than twice the weekly benefit amount;
- have no physical or self-imposed restrictions which limit willingness to work;
- be unemployed through no fault of their own; and
- not refuse to accept suitable work.

If you were the claimant's last employer, or if you employed the claimant in the previous six weeks, you will receive a Separation Notice. You have 10 days to respond to this notice. It is important that you respond to all notices you receive from the Department as it may affect your tax rate.

If I Fire Someone For Misconduct, Will They Receive Benefits?

PROBABLY NOT. A claims examiner will determine if the claimant is eligible for benefits based upon Administrative Rules and Montana Unemployment Insurance Laws. If you fire an employee for misconduct, and the facts support this, that individual is disqualified from receiving benefits until returning to work (in other than self-employment) and earning eight times the weekly benefit amount. To be considered misconduct, the individual must have had control over the situation and the behavior must have had an adverse affect on your business interests. These interests might be the good will of customers, business reputation, business costs and efficiency, morale of other employees, honesty, trust and loyalty.

Inefficient or poor work performance, good faith errors in judgement or discretion and mistakes or simple negligence are not misconduct.

If The Claimant Requalifies After A Finding Of Misconduct, Will I Be Charged For Benefits?

NO. If the claimant you fired for misconduct requalifies by earning eight times the weekly benefit amount, your account will not be charged. This only applies to experience-rated accounts. Reimbursable and governmental accounts are charged regardless of the reason for separation.

Is An Employee Who Quits Without A Good Reason Eligible For Benefits?

YES, AFTER REQUALIFYING. If we find the claimant left your employ without good cause attributable to, or the fault of, the employment, the claimant is disqualified from receiving benefits until earning six times the weekly benefit amount (in other than self-employment). If the claimant does requalify, your account will not be charged. A claimant cannot leave a job for "good personal cause" and be eligible for benefits.

Do Claimants Have To Look For Work While Receiving Benefits?

YES, IN MOST CASES. To receive benefits a claimant must actively look for suitable work. To determine whether or not work is suitable for a claimant, the UI Division considers such factors as:

- the degree of risk to the claimant's health, safety, and morals;
- physical fitness;
- prior training;
- experience;
- previous earnings;
- the length of unemployment and the prospects for finding work in the claimant's customary occupation, and;
- the distance of the available work from the claimant's residence.

If a claimant refuses a job and the job is vacant because of a strike, lockout or other labor dispute, state law prevents us from denying benefits to the claimant. State law also prevents us from denying benefits if the hours or working conditions are substantially less favorable than those prevailing for similar work in the area, or if as a condition of employment, the claimant must join a company union or must resign from or refrain from joining any bona fide labor organization.

When a claimant has been unemployed for 13 weeks, suitable work is defined as work which offers 75% of earnings in the claimant's previous customary occupation. No one is required to accept work at less than the federal minimum wage.

If a claimant refuses suitable work without good cause, the claimant is disqualified from receiving benefits until earning six times the weekly benefit amount in other than self-employment. Also, the claimant's maximum benefit amount is reduced by six times the claimant's weekly benefit amount.

EXCEPTION: If the claimant is an active union member or job-attached, the above conditions may not apply.

Can a Claimant Work Part-time And Still Receive Unemployment Benefits?

YES. A claimant can earn up to twice their weekly benefit amount and still draw partial benefits.

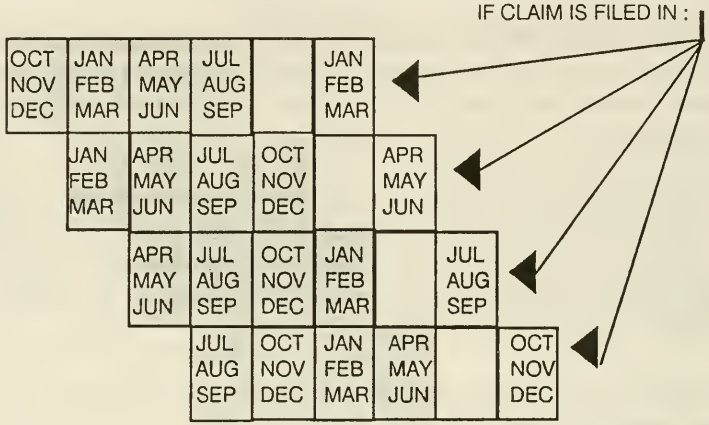
Partial benefits are intended to give a claimant incentive to accept less than full-time work while they are looking for full-time employment.

One Of My Part-Time Employees Is Receiving Benefits. Am I Being Charged?

NO. If you haven't reduced the employee's wages or hours, you will not be charged for any benefits the claimant receives.

Do You Use A Claimant's Entire Work History To Calculate Benefits?

NO. A claim is based on the wages a claimant earned during the first four of the last five completed calendar quarters at the time the claim is filed - The Base Period (defined on next page).



Base Period is shaded area

A claimant may qualify for benefits one of two ways: a claimant must have earned at least 50% of the average annual wage; or a claimant's total base period wages must be at least 1.5 times the wages earned in the highest quarter (of the base period) and total wages equal to or greater than 7% of the average annual wage.

The weekly benefit amount is equal to either 1% of the total base period wages or 1.9% of the wages in the two highest quarters of the base period (whichever is higher). Minimum and maximum weekly benefit amounts are set by law. The maximum potential benefits a claimant may receive depends on the ratio of high-quarter earnings to total base period earnings.

If A Claimant Worked For More Than One Employer During The Base Period, Which Account Is Charged For The Benefits?

Each employer in the claimant's base period is charged. The amount each employer is charged is based on the percentage of wages paid by the employer compared to the total wages paid by all employers in the claimant's base period. Experience-rated employers will not be charged if the claimant left work without good cause attributable to the employment, was discharged for misconduct, is enrolled in training approved by the Department, or if the employer continues to employ the claimant with no reduction in hours or wages.

How Will I Know If I'm Being Charged For Benefits?

If a claimant files for benefits and you were one of the claimant's base period employers, you will receive a Potential Benefit Charge Notice. (If you are a reimbursable employer you will not receive a notice of potential charge.) If the reason the claimant no longer works for you is lack of work, you don't need to return the notice. If the reason is other than lack of work, it is important that you return the notice within **10 DAYS.** State the reason for separation. Please include specific details of the separation and copies of any documentation that is pertinent.

After all information is received and the claim is reviewed, a claims examiner will issue a decision. You will receive a determination notice telling you if your account will be charged.

Chargeable, experience-rated employers will receive a statement of benefits paid about 20 days after the end of each calendar quarter. The statement lists the claimant's name, Social Security number, the date on which the claim became effective and the amount of benefits charged. The employer has **30 DAYS** from receipt to protest the amounts of benefits charged on the statement.

If you were the claimant's last employer you will also receive a Notice of Determination telling you if the claimant is eligible for benefits.

What Can I Do To Help You Make A Fair Determination?

Follow good personnel practices, such as:

- document personnel policies;
- make sure employees are aware of the policies;
- make sure you give employees a chance to correct poor performance and improve;
- provide specific separation information to the Benefits Bureau. For example, don't say "poor performance", say "he ruined a batch of milk by dumping lye in it";

- provide the Bureau with copies of any disciplinary actions and the policies which were violated; and
- provide witness statements for collaboration when it is the employer's word against the claimant's.

I Think The Determination Is Wrong. What Can I Do?

Contact your local Job Service Office and tell them you want a redetermination. The Job Service Office can send you a form to file your request on, or you can write a letter stating the specific reasons you think the determination is wrong. You must file your request for redetermination within **10 DAYS** of the date the decision was mailed. Additional time will be allowed if you can prove good cause for the delay. When you request a redetermination, a claims examiner reviews the file for any additional information and may issue a redetermination.

10 DAYS

If a redetermination is issued you will receive a copy in the mail. If there is no additional information, your case will be sent directly to the Appeals Bureau.

I Think The Redetermination Is Wrong. What Do I Do Now?

APPEAL. Contact your local Job Service Office and tell them you want to file an Appeal. They will send you a form or you can write a letter giving the specific reasons you think the redetermination is wrong. Again, you must request an appeal within **10 DAYS** of the date the redetermination was mailed. A hearing will be scheduled before an appeals referee. These hearings are usually held by telephone. Both you and the claimant will have a chance to be heard. You will receive a copy of the Appeals Referee's decision in the mail.

10 DAYS

I Think The Appeals Referee's Decision Is Wrong. Is There Anything Else I Can Do?

YES. You can request a hearing before the Board of Labor Appeals. Contact your local Job Service Office for information. The Board's decision is final unless you appeal to District Court within 30 **DAYS** of the date the decision was mailed.

30 DAYS

Is There Anything I Can Do To Help Prevent Claimants From Collecting Benefits They're Not Entitled To?

YES. One of the ways you can help is by returning any wage verification forms you may receive. Every calendar quarter the Claims Investigation Unit sends forms to selected employers checking to see if the wages reported by claimants match the wages reported by employers. If a conflict is found, further investigation is conducted to see if criminal prosecution is needed.

It is important you return these forms to the U.I. Division. This is the best method we have to discover claimant abuse of the U.I. system. The money we collect from overpayments that are discovered is returned to the Trust Fund. Employer tax rates may be affected if these abuses are not discovered.

Quality Control - What Is It?

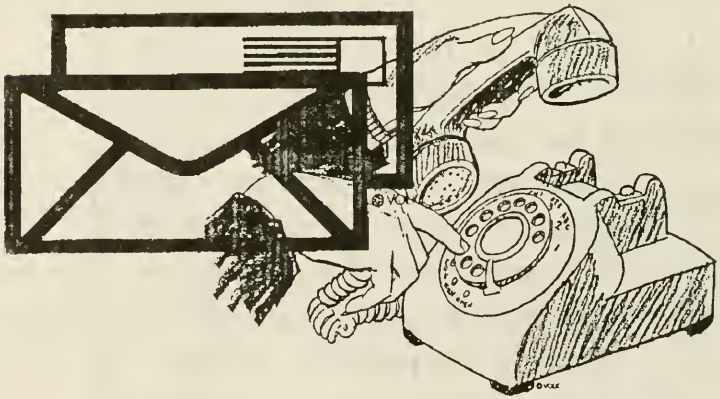
Quality Control (QC) is a program designed to help prevent error and abuse in the UI system. Each week QC randomly selects paid weeks of unemployment for audit. One of our QC investigators contacts employers to verify:

- the claimant's past or present wages;
- if the claimant inquired about or applied for work with the employers listed on the worksearch form; and,
- if the reason the claimant listed for becoming unemployed or working reduced hours is correct.

Better detection, prevention and collection of improper benefit payments results in reduced benefits cost and lower employer taxes. You can help by:

- responding to requests for information;
- providing the information promptly;
- attending UI appeal hearings when requested.

If you have questions about the Quality Control Program, please call or write the Planning and Evaluation Bureau, Quality Control Section, Department of Labor and Industry, Unemployment Insurance Division, P. O. Box 1728, Helena, MT 59624. Telephone (406) 444-2670.

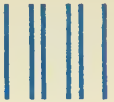


NOTES

NOTES

NOTES

NOTES



POSTAGE AND FEES PAID
EMPLOYMENT SECURITY
LAB-449

UNEMPLOYMENT INSURANCE DIVISION
DEPARTMENT OF LABOR AND INDUSTRY
CONTRIBUTIONS BUREAU
P.O. BOX 1728
HELENA, MT 59624

If you have suggestions for improving the Unemployment Insurance Program, please complete this form and mail to the Unemployment Insurance Division. No postage is required. Thanks for your help.

Suggestions:

Name _____ Telephone _____

Montana Job Service Offices

Anaconda	307 East Park 59711	563-3444
Billings East	624 N. 24th St 59101.	248-7371
Billings West	1425 Broadwater Ave 59102	259-5529
Bozeman	121 N. Willson 59715	586-5455
Butte	206 W. Granite 59703	782-0417
Cut Bank	20 South Central 59427	873-2191
Dillon	730 N. Montana 59725	683-4259
Glasgow	238 Second Ave. S. 59230	228-9369
Glendive	211 S. Kendrick 59330	365-3314
Great Falls	1018 7th St. S. 59405	761-1730
Hamilton	333 Main St. 59840	363-1822
Havre	416 First St. 59501	265-5847
Helena	715 Front St. 59601	449-6006
Kalispell	427 First Ave. E. 59901	752-5627
Lewistown	300 1st Ave. N. 59457	538-8701
Libby	317 Mineral Ave. 59923	293-6282
Livingston	228 S. Main 59047	222-0520
Miles City	12 N. 10th St. 59301	232-1316
Missoula	539 S. Third St. W. 59806	728-7060
Polson	417 Main St. 59860	883-5261
Shelby	402 First St. S. 59474	434-5161
Sidney	120 South Central 59270	482-1204
Thompson Falls	608 Main St. 59873	827-3472
Wolf Point	217 3rd Ave. S. 59201	653-1720

UNEMPLOYMENT INSURANCE DIVISION
DEPARTMENT OF LABOR AND INDUSTRY
CONTRIBUTIONS BUREAU
P.O. BOX 1728
HELENA, MT 59624

U.S.MAIL

POSTAGE AND FEES PAID
EMPLOYMENT SECURITY
LAB-449

HELENA